

Exhibit U

to

*Memorandum in Support of Defendant's Post-Trial Motion for
Judgment of Acquittal or in the Alternative for a New Trial*

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Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, January 31, 2020

Iranian National Charged with Bank Fraud and Lying to Federal Agents in Connection with a Scheme to Use the U.S. Financial System to Send More Than \$115 Million to Iranian Individuals and Entities

The Department of Justice announced that Bahram Karimi was charged with conspiring to commit bank fraud, bank fraud, and making false statements in connection with his involvement in a joint project initiated by the Governments of Iran and Venezuela in which more than \$115 million was illegally funneled through the U.S. financial system for the benefit of various Iranian individuals and entities. The case is assigned to U.S. District Judge Alison J. Nathan.

"Karimi allegedly conspired in an infrastructure project initiated by the Governments of Iran and Venezuela," said Assistant Attorney General for National Security John C. Demers. "He then lied to banks about Iranian involvement and took advantage of the U.S. financial system to benefit Iranian parties. The Department of Justice will continue to prosecute those who misuse our financial system in violation of U.S. sanctions."

"As alleged, Bahram Karimi knowingly and willfully facilitated the circumventing of sanctions against Iran, and then lied about it to FBI agents," said U.S. Attorney Geoffrey S. Berman for the Southern District of New York. "Karimi allegedly enabled the concealed transfer through U.S. banks of more than \$100 million from a Venezuelan state-owned company to an Iranian construction firm, and when questioned, told the agents he didn't know that was prohibited by the sanctions."

"At the end of the day, these charges reflect the use of our financial system to generate U.S. dollars for Iranians and Iranian entities. That's why our government has robust sanctions in place against Iran and Iranian entities who seek to use the U.S. banking system for their own benefit," said Assistant Director-in-Charge William F. Sweeney, Jr of the New York Field Office of the Federal Bureau of Investigation (FBI).

As alleged in the Superseding Indictment and statements made in court filings and proceedings:

In August 2004, the Governments of Iran and Venezuela entered into a Cooperation Framework Agreement, whereby they agreed to cooperate in certain areas of common interest. The following year, both governments supplemented the Cooperation Framework Agreement by entering into a Memorandum of Understanding regarding an infrastructure project in Venezuela (the "Project"), which was to involve the construction of thousands of housing units in Venezuela.

The Project was led by Stratus Group, an Iranian conglomerate with international business operations in the construction, banking, and oil industries. In December 2006, Stratus Group incorporated a company in Tehran, which was then known as the Iranian International Housing Corporation (IIHC). IIHC was responsible for construction for the Project. Thereafter, IIHC entered into a contract with a subsidiary of a Venezuelan state-owned energy company (the VE Company), which called for IIHC to build approximately 7,000 housing units in Venezuela in exchange for approximately \$475,734,000. Stratus Group created the Venezuela Project Executive Committee to oversee the execution of the Project. Karimi was a member of the committee and was responsible for managing the Project in Venezuela.

In connection with his role on the Project, Karimi worked with others to defraud U.S. banks by concealing the role of Iranian parties in U.S. dollar payments sent through the U.S. banking system. Specifically, between April 2011 and November 2013, the VE Company made approximately 15 payments to IIHC through two front companies, which were created to conceal the Iranian nexus to the payments, in violation of U.S. economic sanctions. These 15 payments totaled approximately \$115 million.

In January 2020, Karimi was interviewed by, among other people, two FBI agents. During that interview, Karimi falsely stated that, during the course of the Project, he believed that international sanctions against Iran did not apply to Iranian companies or persons.

Karimi, 53, of Canada, is charged with (1) conspiring to commit bank fraud, which carries a maximum sentence of 30 years in prison; (2) bank fraud, which carries a maximum sentence of 30 years in prison; and (3) making false statements, which carries a maximum sentence of five years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Demers and Mr. Berman praised the outstanding investigative efforts of the New York County District Attorney's Office and the FBI. Mr. Berman also thanked the New York County District Attorney's Office for their ongoing assistance in this investigation.

The prosecution of this case is being handled by the Office's Terrorism and International Narcotics Unit. Assistant U.S. Attorneys Jane Kim, Michael Krouse, and Stephanie Lake, and Special Assistant U.S. Attorney Garrett Lynch, Deputy Chief of the Major Economic Crimes Bureau at the New York County District Attorney's Office, are in charge of the prosecution, with assistance from Trial Attorney Scott Claffee of the National Security Division's Counterintelligence and Export Control Section.

The charges contained in the Superseding Indictment are merely allegations, and the defendant is presumed innocent unless and until proven guilty.

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National Security

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